

# *S. \_\_\_\_ The Health Technology to Enhance Quality Act of 2005 – The Health TEQ Act*

**June 2005**

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Americans are spending nearly \$1.7 trillion - over 15 percent of the nation's gross domestic product - on health care each year. Lagging health technology infrastructure compounds the problem by contributing to waste, medical errors and inefficiency that compromise quality of patient care while causing costs to skyrocket. The Health Technology to Enhance Quality Act of 2005 introduced by Senator Frist, Senator Clinton and others will help harness the potential of health information technology and preserve patient privacy while reducing costs, enhancing efficiency, and improving the overall quality of patient care.

## **Title I: Health Information Technology Standards and Infrastructure Development**

- Codifies **Office of National Coordinator for Information Technology**
- Sets up collaborative process for identifying and adopting content, communication, and security standards for interoperability
- Implements standards that are **mandatory across federal government programs, and voluntary for private sector**
- Designates private entity or entities to assist private sector in certifying and implementing standards
- Identifies laws (e.g., state privacy, licensure) that may be barriers to electronic exchange of health information and provides “such sums” **funding to states to begin harmonizing laws**

## **Title II: Encouraging Use of Interoperable Health Information Systems**

- Authorizes \$125 million annually (for five years) in grants to local or regional collaborations of hospitals, health plans, doctors, consumers, employers and others to develop health information technology infrastructure utilizing national standards adopted under Titles I and III of the Act. Local and regional collaboratives will have to contribute matching funds

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- Provides exemptions from Stark and Antikickback laws to allow hospitals, health plans, and others to **offer health information technology equipment to physicians as long as purpose is to reduce medical errors, improve quality**, reduce costs, improve care coordination, streamline administration, and promote competition and transparency

### **Title III: Adoption, Implementation, and Use of Health Care Quality Measures**

- Directs the Secretaries of Health and Human Services, Department of Defense, Veterans Affairs and other relevant federal agencies to adopt **uniform health care quality measures** to assess the effectiveness, timeliness, efficiency, patient centeredness, and safety of care across federal health care programs
- Quality measures will be **utilized across federal health programs** and will be **voluntary for the private sector**
- Establishes **collaborative efforts** with private sector to encourage the use of health care quality measures adopted by the Secretary
- Requires Secretaries to make **comparative quality reports** on federal health care programs available to consumers and others
- Establishes **two budget-neutral value based purchasing programs** for Medicare, Medicaid, and Community Health Centers
  - Medicare pilot program that may be expanded nationwide after 2 years, and a Sense of the Senate that modifications to the Medicare physician fee schedule should include provisions to encourage the adoption of health information technology standards and the reporting of quality information by physicians serving Medicare beneficiaries
  - Encourages the Secretary of HHS to establish a similar value based purchasing program under Medicaid